



SACHI A. HAMAI
Interim Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

February 5, 2015

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

From: Sachi A. Hamai 
Interim Chief Executive Officer

STATUS REPORT ON COUNTY EFFORTS TO OPEN THE NEW MARTIN LUTHER KING, JR. COMMUNITY HOSPITAL (ITEM NO. 45-A, AGENDA OF NOVEMBER 12, 2013)

On November 12, 2013, on a motion of Supervisor Mark Ridley-Thomas, your Board directed the Chief Executive Officer (CEO), in coordination with the Department of Health Services (DHS), to submit quarterly written status reports to the Board that describe the status of efforts to open the new Martin Luther King, Jr. Community Hospital (MLKCH). This is our fifth status report and in the last several months there has been continued progress towards the goal of opening the new hospital in 2015.

MLK Community Hospital Pre-Opening Activities

Martin Luther King, Jr.-Los Angeles (MLK-LA) Healthcare Corporation continues their activities for ensuring a successful hospital opening. Since the last report, MLK-LA has hired key permanent staff, including a Chief Financial Officer, Manager of Facilities, Manager of Environmental Services, Manager of Marketing and Communications. MLK-LA is also contracting with about a dozen physician groups and continues to negotiate and finalize some of these contracts.

MLK-LA reports that the obstetrics (OB) capital expansion activities are on schedule for completion in March 2015. Additionally, the MRI construction project began in November 2014 and is proceeding on schedule. Licensing and accreditation activities have commenced and service agreements have been executed for licensing and post-opening hospitalists/intensivists.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

MLK-LA's Electronic Health Record (EHR) system build, purchased via a three-party agreement between County, MLK-LA and Cerner Corporation (Cerner), continues on-track for go-live. In an effort to share best practices learned with DHS' ongoing ORCHID implementation, DHS Information Technology leadership are participating in various coordination meetings with MLK-LA. In October 2014, delegated authority was used to make various no-cost changes requested by MLK-LA, including adding Centers for Medicare and Medicaid (CMS) required reporting modules, supply chain monitoring and location identification services. As previously mentioned, the Cerner EHR contract is currently a three-party agreement and as such, requires County involvement to make any contract changes. On or around hospital opening, the County will no longer be a party to the agreement and at that time, it will become a two-party agreement between MLK-LA and Cerner, requiring no further involvement by the County for any changes or amendments.

With the hospital opening just a few months away, MLK-LA's assessment of their overall readiness to open is optimistic and they indicate they are on target with all activities.

MLK Lease Agreement Items

The revised financial assistance package approved by the Board in April 2014 included various grants and loans for MLK-LA to cover certain pre and post-hospital opening costs. All grant funds have been issued to MLK-LA, with the exception of a few Cerner EHR payments which are to be paid in the coming months. In January 2015, MLK-LA accessed the pre-hospital opening long-term loan with their second draw against those funds.

In an effort to facilitate activities which support the hospital's timely opening, on December 16, 2014, the Board delegated authority to DHS to act as the County's agent pursuant to the lease agreement. DHS received delegation to make changes that result in no cost to the County, including, but not limited to, the ability to amend the Cerner EHR agreement, authorize non-clinical expansion activities by MLK-LA and the ability to enter into temporary space use agreements on the campus for the purpose of onboarding staff and for various training activities.

MLK Community Hospital and Outpatient Center Collaboration

The Oversight Committee established by MLKCH and DHS' Martin Luther King, Jr. Outpatient Center (MLKOC) to create a plan for seamless patient care between the private and County facilities, as well as its sub-committees around information technology, finance, shared services and care coordination continue to meet regularly to

finalize planning in preparation for hospital opening. Discussions also progressed related to EHR connectivity for shared services and common patients, financial discussions to update hospital pro forma given SB 857 and hospital presumptive eligibility, contracting between DHS and MLKCH for DHS patients admitted to the hospital discharge protocols to ensure DHS patients are reconnected to their patient centered medical home (PCMH) team, and shared clinical services on the MLK Campus.

On December 16, 2014, the Board authorized DHS to enter into a delegated authority agreement for Shared Services with MLKCH. Negotiations are currently ongoing with anticipation that the scope of work related to laboratory services performed by MLKOC for MLKCH will be completed in February 2015. Ongoing discussions are also taking place related to possible sharing of central sterile, MRI and nuclear medicine services on the MLK Campus.

The County will continue to provide necessary assistance and support to MLK-LA as hospital opening approaches. If you have any questions or require additional information, please contact me, or your staff may contact Dr. Mark Ghaly at (213) 240-8107 or mghaly@dhs.lacounty.gov.

SAH:MM:bjs

c: Executive Office, Board of Supervisors
County Counsel
Health Services
MLK-LA
Public Works
University of California